

**UPDATE:** Thank you to Charlie K. for the following information which you may find extremely helpful!

I am not an accountant so I cannot answer any tax questions. Please consult a qualified professional tax preparer for assistance.

**How do I enter health insurance premiums for a retired public safety officer (PSO)?**

When you enter your 1099-R at the bottom of the 1099-R screen there will be a question that asks if you are a retired public safety officer. If you answer "Yes" to that question then on one of the following screens you will be asked to enter any PSO distributions used for health insurance premiums.

**Retired Public Safety Officer**

If you are an eligible retired public safety officer (law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew), you can elect to exclude from your income distributions made from your eligible retirement plan that are used to pay the premiums for accident or health insurance or long-term care insurance.

On the Form 1099-R Information screen answer Yes to the question that asks if you are a retired public safety officer. On a later screen you'll be asked for the amount of the distribution, if any, that was used for PSO health insurance premiums.

Thank you to our Anne Arundel County Retired Firefighters Assoc. INC. (Dated [January 29, 2019](#)). PLEASE CONSULT A QUALIFIED PROFESSIONAL TAX PREPARER.

We have had several inquiries about IRS HELPS PROGRAM in the past week as people started looking over their tax info. Provided is a link to the IAFF Web Site that contains information on the program that allows retired public safety employees to deduct the amount paid for health insurance via of payroll deduction up to \$3000 off the top of their income. This is not an itemized deduction, you benefit from the complete amount. In the early days some tax prep persons did not know about it an actually refused to use it. Other had the IRS kick back the deduction and also some home tax software did not accept it. In the past several years we have not heard of any issues. The IAFF Link: <http://www.iaff.org/ET/HELPS/HELPS.htm>

Since posting the reminder about the HELPS program we received a question from a member about the HELPS Deduction. "Does anyone know how to enter the H.E.L.P.S. credit on the new 1040 form?" It appears the Union Web Site explaining that has not been changed for the new smaller 1040 for 2018. After posting the question on our Facebook Page we received the following very quickly.

"I'm sure the same deduction for retired police applies here also. On the new form, line 4a is the total pension, IRA, or annuity income. Line 4b is the taxable amount. Subtract the medical insurance cost from line 4a and then enter the new taxable amount on line 4b. The important part is entering a nice bold 'PSO' on line 4b as well. On prior year 1040's , it was lines 16a and 16b. On the new form , it is done the same way, just on lines 4a and 4b, hope this helps."

We would like to thank Mike M. for the quick and informative reply.

## Healthcare Enhancement for Local Public Safety Officers

Healthcare Enhancement for Local Public Safety Officers (HELPS) is a retiree healthcare benefit that provides a tax-free distribution of up to \$3,000 from retirement plans to help retirees pay for health insurance or long-term care insurance.

### Summary

The IAFF won an unprecedented congressional victory with the passage of the Healthcare Enhancement for Local Public Safety Officers (HELPS) act. Under it, retirees can receive a tax-free distribution of up to \$3,000 from retirement plans to help pay for health insurance or long-term care insurance premiums. The IAFF encourages affiliates to remind retirees about the HELPS benefit.

Under the benefit, the IRS will allow retired fire fighters to exclude from income distributions made from eligible retirement plans up to \$3,000 annually to pay the costs for accident or health insurance or long-term care insurance. The funds can cover the retiree, spouse or dependents. The distribution must be made directly from the retirement plan to the insurance provider. Eligible retirement plans include a qualified trust, a section 403(a) plan, a section 403(b) annuity, or a section 457(b) plan.

### Q&A

Read questions and answers written with fire fighters in mind.

### IAFF Q&A (PDF)

### Tax Instructions

The IRS requires retirees to report total distributions on Form 1040, line 16a; Form 1040A, line 12a; or Form 1040NR, line 17a. The taxable amount should be reported on

Form 1040, line 16b; Form 1040A, line 12b; or Form 1040NR, line 17b. Also, retirees should write “PSO” (for public safety officer) next to the appropriate line where the taxable amount is reported. For tax accountants: refer to code section 402(l).

Download IRS 2017 Form 1040 (PDF with helpful highlights on item 16a and 16b)

Download IRS 2017 Form 1040 Instructions (PDF with helpful highlights on pages 26-27)

Download IRS 2017 Publication 575 - Pension and Annuity Income (PDF with helpful highlights on pages 6)

Learn More

National Conference on Public Employees Retirement Systems (HELPS website)

Below is the exact wording from AA County Retired Firefighters from [March 9](#), 2018:

<http://www.iaff.org:80/ET/HELPS/HELPS.htm>

#### FEDERAL “HELPS” PROGRAM

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